



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

UAL INDUSTRIES LIMITED

Overview

Corporate Social Responsibility (CSR) is the commitment the company makes to contribute to sustainable economic development, working with employees, their families, the local community and the society at large to improve their quality of life. CSR is an integral part of the UAL's culture imbibed by one and all involved in the working of the Company. CSR for our organization means achieving long term growth and profitability while reducing their environmental footprint and meeting the needs of the employees and communities within which we operate.

This Policy is adopted by the Board of Directors on the recommendation of CSR Committee on June 22, 2021 in replacement of the earlier CSR Policy approved.

DEFINITIONS

In this Policy, unless the context otherwise requires:

- **“Act”** means the Companies Act, 2013 and the rules made thereunder, including any modification, amendments or re-enactment thereof;
- **“Administrative overheads”** means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- **“Board”** shall mean the Board of Directors of the Company;
- **“Company”** shall mean UAL Industries Limited;
- **“CSR Committee”** shall mean shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director;
- **“CSR Policy”** means this policy;
- **“CSR Expenditure”** means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee, including the following:
 - i. contribution to CSR Projects which shall be implemented and/or executed by the Company;
 - ii. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by.

iii. Any other contributions covered in areas or subjects specified under the Schedule VII to the Act. Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR Expenditure.

■ **"Net profit"** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -

(i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

■ **"Ongoing Project"** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

■ **"Section"** means a section of the Act.

Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act. "

CSR OBJECTIVES

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth. Our vision is to actively contribute to the social and economic development of the communities in which we operate to build a better, sustainable way of life for the weaker sections of society and to raise the country's human development index. As part of its vision, UAL identifies the following activities to be undertaken as CSR activities under its CSR Policy either directly on its own or indirectly through eligible entities or partly by one mode and partly by the other mode or any combination thereof:

1. Promote education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
2. Rural development projects;
3. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
4. Promote gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures reducing inequalities faced by socially and economically backward groups;



5. Provide Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic Sports;
6. Ensure environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
7. Protect national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
8. Measures for the benefit of armed forces veterans, war widows and their dependents;
9. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
10. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
11. Slum area development;
12. Disaster management, including relief, rehabilitation and reconstruction activities;
13. Such other areas as may be specified as CSR activities under Schedule VII from time to time.

CONSTITUTION OF CSR COMMITTEE

Keeping in line with Section 135 of the Companies Act, 2013 and the rules thereunder the Board of Directors of the Company shall form a Corporate Social Responsibility Committee headed by Mr. KNP Sinha, Executive Director. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, to inter alia carry out the following functions:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act and rules made thereunder;
- b) To recommend the amount of expenditure to be incurred on the CSR activities
- c) To recommend the manner of execution of such projects or programmes;
- d) To guide the modalities of utilisation of funds and implementation schedules for the projects or programmes;

- e) To monitor and report mechanism for the projects or programmes;
- f) To provide details of need and impact assessment, if any, for the projects undertaken by the company, provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- g) To monitor the Corporate Social Responsibility Policy of the company from time to time.
- h) To carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amended or modification as may be applicable or as may be appropriate or necessary for performance of its duties.

THRUST AREAS

The Company's scope of CSR activities will primarily cover the following areas but the same is illustrative and not exhaustive and CSR Committee may take up any other activity covered under Schedule VII of the Companies Act, 2013. Similarly, allocations made hereunder are for guidance purpose and may be utilised interchangeably, depending on circumstances, at present, it proposes to undertake the relevant activities on priority basis in the following Thrust Areas

1. Activities related to improvement of Health, Hygiene & Sanitation;
2. Imparting Vocational training and skill enhancement;
3. Eradication of Hunger, Poverty and Malnutrition;
4. Working towards Environment & Ecology Sustainability;
5. Promoting Sports in rural areas;
6. Promoting Education

SOURCE OF FUNDS

1. CSR Committee will recommend the annual budgeted expenditure project wise to the Board for its consideration and approval in accordance with section 135 of the Act and CSR Rules.
2. For every financial year, minimum CSR spending of the Company would be computed as 2% of the average net profits made by the company during every block of three preceding financial years.
3. For the purpose of calculation of CSR spending the "Net profit" means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act and shall be calculated in accordance with the provisions of section 198 of the Act but shall not include the following namely –
 - (i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; or
 - (ii) any dividend received from other Companies in India, which are covered under and complying with the provisions of section 135 of the Act.

4. The expenditure shall be made on the CSR activities as specified under clause VI(i) and approved by the Board.
5. Any surplus arising out of CSR activities shall not form part of business profit of the Company.
6. If the Company is unable to spend the minimum amount required, on its CSR activities, the reasons for not doing shall be specified in the Board Report.
7. The Board may during any financial year, approve to undertake CSR expenditure beyond the CSR obligation for that particular financial year. Such excess CSR spend shall be carried forward for setting-off against the CSR obligation of the Company over next three consecutive financial year in the manner decided by the Board.

IMPLEMENTATION

1. CSR programmes will be undertaken by various units of UAL under the broad policy and framework laid down by the Board in this regard from time to time ;
2. The CSR Committee shall identify the CSR activities along with the geographical area to be undertaken by the Company within the defined ambit of the identified Thrust Areas.
3. The CSR Committee shall also estimate the total amount of expenditure to be incurred and time required by the Company for undertaking such CSR activities.
4. On determination of the modalities, the CSR Committee shall present a detailed proposal before the Board containing:
 - List of CSR activities to be under taken.
 - Geographical areas wherein such CSR activities are to be undertaken.
 - Defined objectives (developed out of existing societal needs determined through baselines / studies / research).
 - Defined expected timelines, outcomes, outputs and inputs.
 - Budget.
 - Implementation source, either directly or through some trust, society, company or otherwise.
 - Monitoring system.
5. The Board shall review the proposal of the CSR Committee and if deems fit may approve the recommendation of the Committee.
6. The CSR Committee shall authorize one of its members to approve the release of funds against the verified work plans in accordance with the approved budget for undertaking the CSR activities as approved by the Board. Such authorized members shall periodically update the members of the Committee about the allocation / utilization of funds towards the CSR activities.
7. In case the CSR activities are undertaken directly by the Company, the CSR Committee with the help of any department of the Company shall direct and supervise the implementation of the CSR activities which may include field visits, interaction with the beneficiary communities etc.



The Company shall provide the adequate manpower and resources for the effective implementation of the approved CSR activities as may be undertaken from time to time.

8. In order to widen the Company's reach and leverage upon the collective expertise, wisdom and experience, the CSR activities can be undertaken through registered trust, society or company. However if such registered trust, society or company are not established by the Company, the Committee shall ensure that periodical reports are provided to the Committee on the activities undertaken, amount spent, benefits arrived, areas covered etc by such registered trust, society or company from time to time. The CSR Committee shall also have power to conduct an audit of such trust, society or company in order to ensure that the CSR assignment has been undertaken as per the instructions of the CSR Committee.

9. The CSR Committee shall provide periodical report to the Board on the implementation of CSR activities.

10. On completion of the CSR activities, the Chairman of the CSR Committee shall provide a detailed report to the Board including but not limited to activities done, amount spent, benefits, time consumed, type of beneficiary communities, implementation channel etc and shall be certified by the Chairman of the CSR Committee. All CSR activities shall be measured against targets and budgets.

11. The CSR Committee for the effective implementation of CSR Policy shall promote CSR activities as approved by the Board by offering opportunities to employees to participate in wide array of CSR activities.

EXCLUSION FROM CSR

"Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

- i. activities undertaken in pursuance of normal course of business of the
- ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 ;
- v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India;



DISCLOSURE

The Annual report of the Company include a section on CSR, outlining the CSR policy, CSR Committee, CSR Initiatives undertaken by Company, The CSR spend during the financial year, and other information as required by the prevailing law.

AMENDMENT

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time. Based on recommendations of the CSR Committee, the Board will review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary. In case of any conflict between this policy and the Companies Act, 2013 or Rules made thereunder, the later shall prevail.
